

**Housing Authority of the  
CITY OF CROWLEY**  
Crowley, Louisiana

**Annual Financial Report  
As of and for the Year Ended September 30, 2010**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/23/11

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
Crowley, Louisiana  
Basic Financial Statements  
As of and for the Year Ended September 30, 2010  
With Supplemental Information Schedules

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**INDEPENDENT AUDITOR'S REPORT**

Board of Commissioners  
**Housing Authority of the City of Crowley**  
Crowley, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of the City of Crowley (the authority) as of and for the year ended September 30, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Crowley as of September 30, 2010, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Independent Auditor's Report, 2010

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In accordance with *Government Auditing Standards*, I have also issued my report dated January 7, 2011 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements which collectively comprise the authority's basic financial statements. The financial data schedule and other supplementary information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

January 7, 2011

**HOUSING AUTHORITY OF CROWLEY, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**SEPTEMBER 30, 2010**

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Housing Authority of Crowley, Louisiana  
Management's Discussion and Analysis (MD&A)  
September 30, 2010

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**The management of Public Housing Authority of Crowley, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending September 30, 2010. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.**

**FINANCIAL HIGHLIGHTS**

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$6,895,449 at the close of the fiscal year ended 2010.
  - ✓ Of this amount \$4,738,391 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
  - ✓ Also of this amount, \$155,588 of net assets are restricted for the Housing Choice Voucher program.
  - ✓ The remainder of \$2,001,469 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 57% of the total operating expenses of \$3,491,175 for the fiscal year 2010, which means the Authority might be able to operate about 7 months using the unrestricted assets alone, which compares less favorably with 5 months in the prior fiscal year.
- The Housing Authority's total net assets increased by \$667,343, an 11% change from the prior fiscal year 2009. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The increase in net assets of these funds was accompanied by an increase in unrestricted cash by \$500,218 from fiscal year 2009, primarily due to the receipt of a significant receivable from the prior fiscal year and for spending \$270,823 less for operations than funds received for operations.
- The Authority spent \$29,059 on capital asset additions and \$871,239 on construction in progress during the current fiscal year.
- These changes led to an increase in total assets by \$700,837 and an increase in total liabilities by \$33,493. As related measure of financial health, there are still over \$17 of current assets covering each dollar of total current and long-term liabilities, which compares less favorably with \$18.47 covering the prior fiscal year's liabilities.
- The Housing Authority continues to operate without the need for debt borrowing.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

### **Reporting on the Housing Authority as a Whole**

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2010?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

### **Fund Financial Statements**

The Housing Authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

## **USING THIS ANNUAL REPORT**

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

- Low Rent Public Housing
- Housing Choice Vouchers
- Public Housing Capital Fund Program
- ARRA – American Recovery and Reinvestment Act
- Disaster Voucher Program

Housing Authority of Crowley, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 September 30, 2010

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$6,895,449 as of September 30, 2010. Of this amount, \$4,738,391 was invested in capital assets, and \$2,001,469 was unrestricted. There was \$155,588 in specific assets restricted for the Housing Choice Voucher program.

**CONDENSED FINANCIAL STATEMENTS**

<b>Condensed Balance Sheet (Excluding Interfund Transfers) As of September 30, 2010</b>		
	<u><b>2010</b></u>	<u><b>2009</b></u>
<b>ASSETS</b>		
Current assets	\$2,290,244	\$2,087,131
Capital assets, net of depreciation	<u>4,738,391</u>	<u>4,240,669</u>
Total assets	<u><u>7,028,636</u></u>	<u><u>6,327,800</u></u>
<b>LIABILITIES</b>		
Current liabilities	61,226	76,304
Non-current liabilities	<u>71,961</u>	<u>23,390</u>
Total liabilities	<u><u>133,187</u></u>	<u><u>99,694</u></u>
<b>NET ASSETS</b>		
Invested in capital assets, net of depreciation	4,738,391	4,240,669
Restricted Net Assets	155,588	246,177
Unrestricted net assets	<u>2,001,469</u>	<u>1,741,260</u>
Total net assets	<u><u>6,895,449</u></u>	<u><u>6,228,106</u></u>
Total liabilities and net assets	<u><u>7,028,636</u></u>	<u><u>6,327,800</u></u>



Housing Authority of Crowley, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 September 30, 2010

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net assets of these funds increased by \$667,343, or by 12%, from those of fiscal year 2009, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets  
 (Excluding Interfund Transfers)  
 Fiscal Year Ended September 30, 2010**

	<u>2010</u>	<u>2009</u>
<b>OPERATING REVENUES</b>		
Federal grants for operations	2,534,669	2,357,764
Tenant rental revenue	535,372	523,656
Other tenant revenue	150,311	129,940
Total operating revenues	<u>3,220,352</u>	<u>3,011,360</u>
<b>OPERATING EXPENSES</b>		
Federal Housing Assistance Payments (HAP) to landlords	1,510,159	1,360,110
General and administrative	840,892	682,729
Maintenance and repairs	409,854	361,967
Depreciation	380,591	423,322
Utilities	349,064	327,591
Tenant services	616	450
Total operating expenses	<u>3,491,175</u>	<u>3,156,168</u>
(Losses) from operations	<u>(270,823)</u>	<u>(144,808)</u>
<b>NON-OPERATING REVENUES</b>		
Other non-tenant revenue	59,175	135,133
Interest income	7,751	10,228
Total Non-Operating Revenues	<u>66,926</u>	<u>145,361</u>
<b>NON-OPERATING EXPENSES</b>		
Casualty losses	-	2,602
Total non-operating expenses	<u>-</u>	<u>2,602</u>
(Losses) after non-operating revenues	<u>(203,897)</u>	<u>(2,049)</u>
<b>OTHER CHANGES IN NET ASSETS</b>		
Federal grants for capital expenditures	871,239	830,432
<b>NET INCREASES IN NET ASSETS</b>	667,343	828,383
<b>NET ASSETS, beginning of fiscal year</b>	<u>6,228,107</u>	<u>5,399,724</u>
<b>NET ASSETS, end of fiscal year</b>	<u>6,895,449</u>	<u>6,228,107</u>

#### **EXPLANATIONS OF FINANCIAL ANALYSIS**

Compared with the prior fiscal year, total operating and non-operating revenues increased \$173,713, or by 4%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- Federal revenues from HUD for operations increased by \$176,905, or by 8% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- Federal Capital Funds from HUD increased by \$40,807, or by 5% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2006 through 2009, and submitted a new grant during the 2010 fiscal year.
- Total tenant revenue increased by \$32,087, or by 5%, from that of the prior fiscal year due to the amount of rent each tenant pays which is based on a sliding scale of their personal income. Some tenants' personal incomes increased so rent revenue from these tenants increased accordingly, raising the overall total. Also, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$20,371, or by 16%.
- Interest income decreased by \$2,477, or by 24% from that of the prior fiscal year due to declining interest rates as a result of economic instability.

Compared with the prior fiscal year, total operating and non-operating expenses increased \$335,006, or by 10%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- Depreciation expense decreased by \$42,731, or by 10% from that of the prior fiscal year. Although there was an increase in capital assets by \$900,298, existing capital assets are reaching the end of their estimated useful lives.
- Maintenance and repairs increased by \$47,887, or by 13% from that of the prior fiscal year due to several major factors: Repair staff wages decreased by \$20,410, or by 12%, and related employee benefit contributions increased by \$40,376. Also, materials used increased by \$3,349, or by 5%, and contract labor costs increased by \$24,571, or by 24%.
- General and administrative expenses increased by \$158,163 or 23% from that of the prior fiscal year due to a combination of factors. Insurance premiums increased \$92,260 or 49%, compensated absences expense increased by \$57,936 or 286% and administrative salaries increased \$19,108 or 9%.
- Housing Assistance Payments to landlords increased by \$150,049, or by 11% from that of the prior fiscal year, because there was an increase in the number of tenants provided housing assistance during the year. Consequently, revenues from HUD for these subsidies increased by \$112,714.

Housing Authority of Crowley, Louisiana  


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Management's Discussion and Analysis (MD&A)  
September 30, 2010  


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- Utilities Expense increased by \$21,473, or by 7% from that of the prior fiscal year due to a combination of offsetting factors: Water cost increased by \$483 and an increase in rate by 1%; electricity cost increased by \$22,841 and an increase in rate by 11%; however, gas cost decreased by \$2,293 and a decrease in rate by 15%, and other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) decreased by \$1,851, or by 14%.
- Casualty losses decreased by \$2,602 from that of the prior fiscal year.
- Also, tenant services, totaling \$616, did not change significantly from the prior to the current year.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At September 30, 2010, the Housing Authority had a total cost of \$17,080,919 invested in a broad range of assets and construction in progress from projects funded in 2006 through 2009, listed below. This amount, not including depreciation, represents increases of \$900,298 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation  
As of September 30, 2010**

	<u>2010</u>	<u>2009</u>
Land	\$ 122,082	\$ 122,082
Construction in progress	1,177,605	306,366
Buildings	3,177,408	3,508,183
Leasehold improvements	207,174	233,696
Furniture and equipment	<u>54,122</u>	<u>70,342</u>
<b>Total</b>	<u><u>4,738,391</u></u>	<u><u>4,240,669</u></u>

As of the end of the 2010 fiscal year, the Authority is still in the process of completing HUD grants of \$2,897,953 obtained during 2006 through 2009 fiscal years.

### **Debt**

Non-current liabilities also include accrued annual vacation leave due to employees. The Housing Authority has not incurred any mortgages or bond indentures for financing capital assets or operations.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2011 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

### **CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Kenneth Habetz, at Public Housing Authority of Crowley, Louisiana; P. O. Box 1347; Crowley, LA 70527.

**Exhibit A**

**Housing Authority of the City of Crowley**  
**Crowley, Louisiana**  
Statement of Net Assets  
As of September 30, 2010

**ASSETS****Current assets**

Cash and cash equivalents	1,901,542
Receivables:	
HUD	34,213
Tenant rents, net of allowance	3,473
Prepaid insurance	158,303
Inventory, net of allowance	10,425
Restricted assets - cash and cash equivalents	<u>182,288</u>
<b>Total current assets</b>	<u>2,290,244</u>

**Noncurrent assets****Capital assets:**

## Nondepreciable capital assets:

Land	122,082
Construction in progress	<u>1,177,605</u>
Total nondepreciable capital assets	<u>1,299,687</u>

## Depreciable capital assets:

Buildings and improvements	15,177,278
Furniture and equipment	603,954
Less accumulated depreciation	<u>(12,342,527)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>3,438,705</u>

Total capital assets, net of accumulated depreciation	<u>4,738,392</u>
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<b>Total assets</b>	<u>7,028,636</u>
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(continued)

**Exhibit A**

**Housing Authority of the City of Crowley**  
**Crowley, Louisiana**  
Statement of Net Assets  
As of September 30, 2010

**LIABILITIES****Current Liabilities**

Payable to other governments	10,000
Accrued wages payable	3,173
Accrued compensated absences	12,081
Deferred revenue	5,585
Other liability	3,687
Security deposit liability	26,700

<b>Total current liabilities</b>	<b>61,226</b>
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**Noncurrent liabilities**

Accrued compensated absences	71,961
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<b>Total noncurrent liabilities</b>	<b>71,961</b>
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<b>Total liabilities</b>	<b>133,187</b>
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**NET ASSETS**

Invested in capital assets, net of related debt	4,738,392
Restricted	155,588
Unrestricted	2,001,469

<b>Total net assets</b>	<b>\$ 6,895,449</b>
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The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Crowley**  
Crowley, Louisiana  
**Statement of Revenues, Expenses, and Changes In Net Assets**  
For the Year ended September 30, 2010

<b>Operating Revenues</b>	
HUD Operating Grants	\$ 2,534,669
Dwelling Rental	535,372
Other Operating	<u>150,311</u>
<b>Total operating revenues</b>	<u>3,220,352</u>
<b>Operating Expenses</b>	
Housing Assistance Payments	1,510,159
General and administrative	840,892
Repairs and maintenance	409,853
Utilities	349,063
Tenant services	616
Depreciation and amortization	<u>380,592</u>
<b>Total operating expenses</b>	<u>3,491,175</u>
<b>Operating income (loss)</b>	(270,823)
<b>Nonoperating Revenues (Expenses):</b>	
Interest revenue	7,751
Miscellaneous revenues	<u>59,175</u>
<b>Total nonoperating revenues (expenses)</b>	<u>66,926</u>
<b>Income (loss) before other revenues, expenses, gains, losses and transfers</b>	(203,897)
Capital contributions (grants)	871,240
<b>Increase (decrease) in net assets</b>	667,343
<b>Net assets, beginning of year</b>	<u>6,228,106</u>
<b>Net assets, end of year</b>	<u>\$ 6,895,449</u>

The accompanying notes are an integral part of these financial statements.

**Housing Authority of the City of Crowley  
Statement of Cash Flows  
For the Year ended September 30, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from federal subsidies	\$ 2,772,690
Receipts from tenants	686,668
Payments to landlords	(1,510,159)
Payments to suppliers	(1,227,360)
Payments to employees	<u>(369,972)</u>
<b>Net cash provided by operating activities</b>	<b><u>351,867</u></b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Miscellaneous revenues	<u>59,175</u>
<b>Net cash provided by noncapital financing activities</b>	<b><u>59,175</u></b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Proceeds from capital grants	871,240
Purchase and construction of capital assets	<u>(878,314)</u>
<b>Net cash (used in) capital and related financing activities</b>	<b><u>(7,074)</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>7,751</u>
<b>Net cash provided by investing activities</b>	<b><u>7,751</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>411,719</u></b>

<b>Cash and cash equivalents - beginning of year</b>	<b><u>1,672,111</u></b>
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Cash and Cash equivalents - unrestricted	1,901,542
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Cash and Cash equivalents - restricted	182,288
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<b>Total Cash and Cash Equivalents - end of year</b>	<b><u>\$ 2,083,830</u></b>
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**Reconciliation of operating income (loss) to net cash provided by operating activities:**

Operating (loss)	\$ (270,823)
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**Adjustments to reconcile operating (loss) to net cash provided by operating activities:**

Depreciation and amortization	380,592
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**Changes in assets and liabilities:**

HUD receivable	238,021
Tenant rents, net of allowance	(1,105)
Prepaid insurance	(27,099)
Inventories	(1,224)
Accounts payable	(22,192)
Accrued wages payable	3,185
Accrued compensated absences	47,744
Other liability	2,678
Security deposit liability	<u>2,090</u>

<b>Net cash provided by operating activities</b>	<b><u>\$ 351,867</u></b>
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The accompanying notes are an integral part of the financial statements



## **HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana  
Notes to the Basic Financial Statements  
September 30, 2010

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

### **(1) Reporting Entity**

The Housing Authority of The City of Crowley (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Crowley, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt. The authority has no component units, defined by GASB 14 as other legally separate organizations for which the elected authority members are financially accountable.

## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

The authority is a related organization of the City of Crowley, Louisiana since the city appoints a voting majority of the authority's governing board. The city is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the city. Accordingly, the authority is not a component unit of the financial reporting entity of the city.

### (2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

### (3) Measurement focus and basis of accounting

## **HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

Proprietary finds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

### **(4) Assets, liabilities, and net assets**

#### **(a) Deposits and Investments**

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

#### **(b) Inventory and prepaid items**

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### **(c) Restricted Assets**

Cash restricted for tenant security deposits and Housing Assistance Payment reserves are reflected as restricted.

#### **(d) Capital assets**

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. The capitalization threshold is \$500. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
Crowley, Louisiana  
Notes to the Financial Statements, 2010 – Continued

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At September 30, 2010, the management of the authority established an allowance for doubtful accounts of approximately \$4,833.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation and sick pay is accrued when incurred and reported as a liability.

Employees may accumulate an unlimited number of annual leave hours. Depending on their length of service, classified employees receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Unclassified employees receive payment for all accumulated annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave. The cost of current leave privileges, computed in accordance with GASB Codification Section C60 is recognized as a current year expense when leave is earned.

## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

### (h) Restricted net assets

Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

### (i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of September 30, 2010, the authority's carrying amount of deposits was \$2,083,830, which includes the following:

Cash and cash equivalents-unrestricted	\$1,901,542
Cash and cash equivalents- restricted	155,588
Total	\$2,083,830

Interest Rate Risk—The authority's policy does not address interest rate risk.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

**Credit Rate Risk**—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

**Custodial Credit Risk**—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$1,143,546 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$1,007,039 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at September 30, 2010 totaled \$2,150,585.

**NOTE C - CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2010 was as follows:

	<u>9 30 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustment</u>	<u>9 30 2010</u>
<b>Nondepreciable Assets:</b>					
Land	122,082				122,082
Construction in Progress	306,366	871,240	-	-	1,177,606
<b>Depreciable Assets:</b>					
Building and improvements	15,182,117	-	-	(4,842)	15,177,275
Furniture and equipment	<u>613,751</u>	<u>7,074</u>	<u>21,711</u>	<u>4,842</u>	<u>603,956</u>
Total	<u>16,224,316</u>	<u>878,314</u>	<u>21,711</u>	<u>-</u>	<u>17,080,919</u>
Less accumulated depreciation					
Building and improvements	11,436,045	357,297	-	-	11,793,342
Furniture and equipment	<u>547,603</u>	<u>23,294</u>	<u>21,711</u>	<u>-</u>	<u>549,186</u>
Total accumulated depreciation	<u>11,983,648</u>	<u>380,591</u>	<u>21,711</u>		<u>12,342,528</u>
Net Capital Assets	<u>4,240,669</u>	<u>497,723</u>	<u>-</u>		<u>4,738,392</u>

## **HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

### ***NOTE D – CONSTRUCTION COMMITMENTS***

The authority is engaged in a modernization program and has entered into construction type contracts with approximately \$1,608,894 remaining until completion.

### ***NOTE E – LEASES***

During the year ended September 30, 2007, the authority entered into a capital lease for a copier. The lease is considered immaterial and has been presented as an operating lease.

The lease requires monthly payments of \$421 for 60 months beginning September 2007. Rent expense for the fiscal year ended totaled \$5,052 and is included in administrative expenses in the accompanying financial statements. The minimum annual commitments under the non-cancelable lease is as follows:

	<u>Fiscal Year Ending</u>	<u>Amount</u>
2011		5,052
2012		5,052
Total		<u>\$10,104</u>

### ***NOTE F – COMPENSATED ABSENCES***

At September 30, 2010, employees of the authority have accumulated and vested \$84,042 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$71,961 is reported in long-term debt.

## **HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

### **NOTE G – LONG TERM OBLIGATIONS**

As of September 30, 2010, long term obligations consisted of compensated absences in the amount of \$71,961. The following is a summary of the changes in the long term obligations for the year ended September 30, 2010.

	<b>Compensated Absences</b>
Balance as of October 1, 2009	\$23,390
Additions	59,773
Deductions	(11,202)
Balance as of September 30, 2010 [Long term]	<u>\$71,961</u>
Amount due in one year [Short term]	<u>\$12,081</u>

### **NOTE H – POST EMPLOYMENT RETIREMENT BENEFITS**

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

### **NOTE I - RETIREMENT PLAN**

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 7.5 percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five percent of their annual covered salary.



## **HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended September 30, 2010, was \$369,972. The authority's contributions were calculated using the base salary amount of \$373,378. The authority made the required contributions of \$28,003 for the year ended September 30, 2010.

### ***NOTE J – RISK MANAGEMENT***

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

### ***NOTE K – LITIGATION AND CLAIMS***

As of September 30, 2010 the authority is not involved in litigation. A Federal Fair Housing Act and Equal Housing Opportunity Act violation charge has been filed against the authority. Management intends to vigorously defend the authority against this charge. A charge of discrimination has been filed against the

## **HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Notes to the Financial Statements, 2010 – Continued

authority. Management intends to vigorously defend the authority against this charge. The authority has not recorded any contingent liability regarding either matter.

### ***NOTE L – FEDERAL COMPLIANCE CONTINGENCIES***

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries.

HUD is in the process of reconciling HCV program equity per the financial reports to other source documents. At the time of publication of the audit report HUD has proposed and CHA has agreed to the amounts as of FYE. The FYE financial statements materially agree with the amount HUD calculated and CHA agreed to. Until there is a final determination of the HCV Equity amounts I consider this to be a contingency. CHA has recorded no entry for this contingency.

### ***NOTE M – SUBSEQUENT EVENTS***

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through January 7, 2011 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

### ***NOTE N – ECONOMIC DEPENDENCE***

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$3,405,909 to the authority, which represents approximately 82% of the authority's total revenue for the year.

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners

**Housing Authority of the City of Crowley**

Crowley, Louisiana

I have audited the financial statements of the Housing Authority of the City of Crowley (the authority), as of and for the year ended September 30, 2010 and have issued my report thereon dated January 7, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the authority's financial statements will not be prevented, or detected and corrected on a timely basis.

## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana  
Report on Internal Control...*Government*  
*Auditing Standards*, 2010  
Page Two

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted a certain matter that I reported to management of the authority in a separate letter dated January 7, 2011.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

January 7, 2011

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners  
**Housing Authority of the City of Crowley**  
Crowley, Louisiana

Compliance

I have audited the compliance of the Housing Authority of the City of Crowley (the authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each its major federal programs for the year ended September 30, 2010. The authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the authority's management. My responsibility is to express an opinion on the authority's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the authority's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the authority's compliance with those requirements.

## HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

Report on Compliance...A-133, 2010

Page Two

In my opinion, the authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each its major federal programs for the year ended September 30, 2010.

### Internal Control Over Compliance

Management of the authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.*

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*William Daniel McCaskill*

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William Daniel McCaskill, CPA  
A Professional Accounting Corporation

January 7, 2011

## Schedule of Findings and Questioned Costs

### Fiscal Year Ended September 30, 2010

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Schedule of Findings and Questioned Costs (Continued)  
Fiscal Year Ended September 30, 2010

The threshold used for distinguishing between Type A and B programs was \$300,000.

Auditee qualified as a low-risk auditee? ☒ yes ☐ no

**SECTION II - FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COST**

None



**Schedule 2**

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**  
Crowley, Louisiana

Schedule of Prior Year Audit Findings  
Fiscal Year Ended September 30, 2010

There were no findings in the prior audit.

**HOUSING AUTHORITY OF THE CITY OF CROWLEY**

Crowley, Louisiana

Schedule of Compensation Paid to Board Members  
Fiscal Year Ended September 30, 2010

Board members serve without compensation.

**SCHEDULE 4**

**Housing Authority of the City of Crowley**  
Crowley, Louisiana  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2010**

<i>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</i>	<i>CFDA #</i>	<i>Federal Expenditures</i>
<b>U.S. Department of Housing and Urban Development:</b>		
Direct Programs:		
Low Rent Public Housing	14.850a	\$ 819,530
Housing Choice Voucher Program	14.871	1,663,305
Public Housing Capital Fund Program	14.872	574,322
ARRA - American Recovery and Reinvestment Act	14.885	348,752
 Total Federal Expenditures		 <u>\$ 3,405,909</u>

See accompanying notes to schedule of expenditures of federal awards.

# HOUSING AUTHORITY OF THE CITY OF CROWLEY

Crowley, Louisiana

## Notes to the Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2010

### NOTE A – General

The accompanying Schedule of Expenditures of Federal Awards presents all of the Federal awards programs of the Authority. The authority reporting entity is defined in Note 1 to the basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies are included in this schedule.

### NOTE B – Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards Programs is presented using the accrual basis of accounting, which is described in Note 1 to the authority's basic financial statements.

### NOTE C – Relationship to Basic Financial Statements

Federal awards revenues are reported in the authority's basic financial statements as follows:

Low Rent Public Housing	\$ 819,530
Housing Choice Voucher Program	1,663,305
Public Housing Capital Fund Program	574,322
ARRA - American Recovery and Reinvestment Act	\$ 348,752

### NOTE D – Relationship to Federal Financial Reports

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with GAAP.

### NOTE E- FEDERAL AWARDS

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 9814, "federal awards" do not include the authority's operating income from rents or investments (or other Non-federal sources). In addition, the entire amount of operating subsidy received and/or accrued during the fiscal year is considered to be expended during the fiscal year.

**Housing Authority of the City of Crowley**  
**Crowley, Louisiana**  
**Statement and Certification of Actual Modernization Costs**  
**For the Year Ended September 30, 2010**

**Schedule 5**

Project Number:	LA48P02950104	LA48P02950105
Original Funds Approved	\$ 593,331	564,276
Less Funds Expended (Actual Modernization Cost)	<u>593,331</u>	<u>564,276</u>
Excess Funds Approved	<u>\$ -</u>	<u>\$ -</u>
 Funds Disbursed	 \$ 593,331	 \$ 564,276
Less Funds Expended (Actual Modernization Cost)	<u>593,331</u>	<u>564,276</u>
Excess Funds Disbursed	<u>\$ -</u>	<u>\$ -</u>

The distribution of costs by project as shown on HUD Final Performance and Evaluation Reports dated January 8, 2010 accompanying the Actual Modernization Cost Certificates, submitted to HUD for approval are in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payments.

Housing Authority of Crowley (LA029)  
CROWLEY, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2010

	Project Total	14,895 Formula Capital Fund Stimulus Grant	M D/P Disaster Voucher Program	14,877 Housing Choice Vouchers	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,441,596	\$0	\$46,700	\$444,246	\$1,901,542		\$1,901,542
112 Cash - Restricted - Multi-Family Development	\$0	\$0	\$0	\$0	\$0		\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$155,568	\$155,568		\$155,568
114 Cash - Tenant Security Deposits	\$38,700	\$0	\$0	\$0	\$38,700		\$38,700
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0		\$0
160 Total Cash	\$1,480,296	\$0	\$46,700	\$599,814	\$2,086,810	\$0	\$2,086,810
121 Accounts Receivable - PMA Projects	\$0	\$0	\$0	\$0	\$0		\$0
122 Accounts Receivable - HUD Other Projects	\$34,213	\$0	\$0	\$0	\$34,213		\$34,213
124 Accounts Receivable - Other Governments	\$0	\$0	\$0	\$0	\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0		\$0
126 Accounts Receivable - Tenants	\$8,306	\$0	\$0	\$0	\$8,306		\$8,306
131 Allowance for Doubtful Accounts - Tenants	\$4,833	\$0	\$0	\$0	\$4,833		\$4,833
129 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0		\$0
128 Plus Recovery	\$0	\$0	\$0	\$0	\$0		\$0
128 1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0		\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0		\$0
130 Prepaid Insurance - Net of Allowance for Doubtful Accounts	\$37,660	\$0	\$0	\$0	\$37,660	\$0	\$37,660
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0		\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$144,571	\$0	\$0	\$13,422	\$157,993		\$157,993
143 Inventories	\$15,425	\$0	\$0	\$0	\$15,425		\$15,425
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0		\$0
144 Pre-Program Due From	\$15,684	\$0	\$0	\$0	\$15,684	\$15,684	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0		\$0
150 Total Current Assets	\$1,678,862	\$0	\$46,700	\$599,814	\$2,325,376	\$15,684	\$2,341,060
161 Land	\$122,062	\$0	\$0	\$0	\$122,062		\$122,062
162 Buildings	\$13,923,198	\$0	\$0	\$0	\$13,923,198		\$13,923,198
163 Furniture, Equipment & Machinery - Dwellings	\$233,559	\$0	\$0	\$0	\$233,559		\$233,559
164 Furniture, Equipment & Machinery - Administration	\$341,667	\$0	\$0	\$28,728	\$370,395		\$370,395
165 Leasehold Improvements	\$1,054,140	\$0	\$0	\$0	\$1,054,140		\$1,054,140
166 Accumulated Depreciation	\$12,914,206	\$0	\$0	\$28,291	\$12,942,527		\$12,942,527
167 Construction in Progress	\$1,177,205	\$0	\$0	\$0	\$1,177,205		\$1,177,205
168 Infrastructure	\$0	\$0	\$0	\$0	\$0		\$0
169 Total Capital Assets, Net of Accumulated Depreciation	\$4,737,925	\$0	\$0	\$467	\$4,738,392	\$0	\$4,738,392
171 Notes, Loans, and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non-Current - Paid Due	\$0	\$0	\$0	\$0	\$0		\$0
173 Grants Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0		\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0		\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0		\$0

90	Total Non-Current Assets	\$4,737,925	\$0	\$0	\$187	\$4,738,101	\$0	\$4,738,101
100	Total Assets	\$6,674,987	\$0	\$45,700	\$683,733	\$7,344,320	-\$15,684	\$7,028,036
311	Bank Accounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312	Accounts Payable - 90 Days	\$0	\$0	\$0	\$0	\$0	\$0	\$0
313	Accounts Payable - 90 Days - Paid Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321	Accrued Wages/Payroll Taxes Payable	\$2,173	\$0	\$0	\$0	\$2,173	\$0	\$2,173
322	Accrued Compensation Absentees - Current Portion	\$3,017	\$0	\$0	\$3,004	\$12,081	\$12,041	\$12,041
324	Accrued Compensation Absentees - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325	Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331	Accounts Payable - HUD HHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
332	Accounts Payable - Other Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333	Accounts Payable - Other Government	\$10,000	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000
341	Grant Security Deposits	\$28,700	\$0	\$0	\$0	\$28,700	\$28,700	\$28,700
342	Deferred Revenues	\$2,545	\$0	\$0	\$0	\$2,545	\$2,545	\$2,545
343	Current Portion of Long-term Debt - Capital Projects/Operating - Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
344	Current Portion of Long-term Debt - Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
345	Other Current Liabilities	\$0	\$0	\$187	\$0	\$3,587	\$3,587	\$3,587
346	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
347	Other Program - Due To	\$0	\$0	\$0	\$15,584	\$15,584	-\$15,584	\$0
348	Long-term Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Current Liabilities	\$34,322	\$0	\$4,987	\$18,748	\$56,510	-\$15,684	\$51,226
351	Long-term Debt - Net of Current - Capital Projects/Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352	Long-term Debt - Net of Current - Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353	Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
354	Accrued Compensation Absentees - Non-Current	\$50,377	\$0	\$0	\$21,429	\$71,801	\$71,801	\$71,801
355	Long-term Liability - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356	Wages/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
358	Total Non-Current Liabilities	\$50,377	\$0	\$0	\$21,429	\$71,801	\$0	\$71,801
360	Total Liabilities	\$84,699	\$0	\$3,087	\$40,187	\$128,311	-\$15,684	\$112,627
500	Invested in Capital Assets, Net of Related Debt	\$4,737,925	\$0	\$0	\$187	\$4,738,392	\$0	\$4,738,392
501	Fund Balance Reserved	\$0	\$0	\$0	\$0	\$0	\$0	\$0
511	Unrestricted Capital Assets	\$0	\$0	\$0	\$195,588	\$195,588	\$195,588	\$195,588
512	Restricted Capital Assets	\$1,571,985	\$0	\$2,013	\$387,431	\$2,001,409	\$2,001,409	\$2,001,409
513	Unrestricted Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
514	Unrestricted Non-Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
515	Total Equity/Net Assets	\$6,674,987	\$0	\$42,613	\$540,546	\$6,858,146	\$0	\$6,858,146
600	Total Liabilities and Equity/Net Assets	\$6,674,987	\$0	\$42,613	\$540,546	\$6,858,146	\$0	\$6,858,146

Housing Authority of Crowley (LA029)  
CROWLEY, LA

Submission Type: Audited/A-133  
Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2010

	Project Total	14.686 Formula Capital Fund Stimulus Grant	14. DWP Disaster Voucher Program	14.871 Housing Choice Vouchers	Subtotal	ELIM	Total
70000 Total Tenant Rental Revenue	\$535,572	\$0	\$0	\$0	\$535,572	\$0	\$535,572
70000 Tenant Revenue - Other	\$152,311	\$0	\$0	\$0	\$152,311	\$0	\$152,311
70000 Total Tenant Revenue	\$687,883	\$0	\$0	\$0	\$687,883	\$0	\$687,883
70000 HUD PRA Operating Grants	\$871,364	\$0	\$0	\$1,683,305	\$2,554,669	\$0	\$2,554,669
70000 Capital Grants	\$522,488	\$240,782	\$0	\$0	\$763,270	\$0	\$763,270
70000 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Book Keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Front Line Service Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Total Fee Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
70000 Other Development Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Investment Income - Unrestricted	\$3,612	\$0	\$0	\$0	\$3,612	\$0	\$3,612
71000 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Fee Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Gain or Loss on Sale of Capital Assets	\$58,775	\$0	\$0	\$0	\$58,775	\$0	\$58,775
71000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0
71000 Total Revenue	\$2,144,402	\$240,782	\$0	\$1,683,305	\$4,068,489	\$0	\$4,068,489
81000 Administrative Salaries	\$1,141,827	\$0	\$0	\$0	\$1,141,827	\$0	\$1,141,827
81000 Auditing Fees	\$10,490	\$0	\$0	\$0	\$10,490	\$0	\$10,490
81000 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81000 Bookkeeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81000 Advertising and Marketing	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81000 Employee Benefit Contributions - Administrative	\$154	\$0	\$0	\$0	\$154	\$0	\$154
81000 Office Expenses	\$55,130	\$0	\$0	\$0	\$55,130	\$0	\$55,130
81000 Legal Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
81000 Travel	\$20,516	\$0	\$0	\$0	\$20,516	\$0	\$20,516
81000 Other	\$11,132	\$0	\$0	\$0	\$11,132	\$0	\$11,132
81000 Allocated Overhead	\$1,132	\$0	\$0	\$0	\$1,132	\$0	\$1,132
81000 Total Operating - Administrative	\$1,263,271	\$0	\$0	\$0	\$1,263,271	\$0	\$1,263,271
82000 Asset Management Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82000 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82000 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82000 Tenant Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82000 Total Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82000 Water	\$0	\$0	\$0	\$0	\$0	\$0	\$0
82000 Total Expense	\$1,263,271	\$0	\$0	\$0	\$1,263,271	\$0	\$1,263,271
82000 Total Revenue	\$2,144,402	\$240,782	\$0	\$1,683,305	\$4,068,489	\$0	\$4,068,489







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**Management Letter**

**Board of Commissioners  
Housing Authority of the City of Crowley  
Crowley, Louisiana**

In planning and performing my audit of the financial statements of the Housing Authority of the City of Crowley for the year ended September 30, 2010, I considered the Authority's internal control to plan my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control.

However, during my audit, I noted certain matters involving internal control that is presented for your consideration. This letter does not affect my report dated January 7, 2011, on the financial statements of the authority. Management's response has also been included.

**ML 2010-1**

The authority purchased a \$25,000 Certificate of Deposit issued by GMAC Bank through AG Edwards. The authority did not execute a HUD Depository Agreement with AG Edwards. The Certificate of Deposit is guaranteed by FDIC. The Depository Agreement protects HUD in certain circumstances.

**Corrective Action Plan:**

**Person Responsible—Kenny Habetz, Executive Director**

**Anticipated Completion Date—February 15, 2011**

**Corrective Action Planned—As soon as the auditor notified us of this potential negative comment, we sold the Certificate of Deposit and closed the CHA account with AG Edwards. For any future investments we will execute the Depository Agreement form at the same time we make the investment.**

My audit procedures are designed primarily to enable me to form opinions on the financial statements of the authority, as of and for the year ending September 30, 2010, which collectively comprise the authority's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and user of the Board, management, federal awarding agencies, and pass-thru entities and is not intended to be and should not be used by anyone other than these specified users. Although the intended use of these reports may be limited, under LRS 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*William Daniel McCaskill*

William Daniel McCaskill, CPA, APAC  
A Professional Accounting Corporation

January 7, 2011